

Section III – Eligibility Policy

Non-Financial Eligibility

- **Application**

Application for CTS is made at county or tribal economic support agencies. These agencies are generally located within the county or tribal human services or social services department. Application for CTS may be made by phone, mail or in person. Face-to-face contact between the applicant and agency personnel is not required. CTS application forms and instructions (DDE-2571A and DDE-2571) are available on the DHFS forms repository at <http://dhfs.wisconsin.gov/forms/>.

Anyone may apply for Caretaker Supplement. Once an individual has filed an application for CTS, the local agency has 30 days to process the application. The local agency may extend the application processing period when there are no longer ten days remaining in a month after the date on which an applicant was asked to provide verification of information.

Generally, an applicant for CTS is an SSI parent or the head of a family requesting assistance. Most often, application for CTS is processed simultaneously with applications for Medicaid, food stamps or child care assistance. The local agency will use the CARES system to enter the application and determine eligibility. The CARES system is programmed to test all cases for CTS, unless the applicant has specifically told the local agency worker that he or she is not applying for CTS.

Local agency workers can use the CARES system to determine eligibility for CTS back to January 1998, as long as the parent had requested public assistance and had an open assistance case in the CARES system for each month of CTS retroactivity. It is also very important that CTS payments made to parents before CTS became a program of assistance in CARES are not duplicated.

- **Standard Filing Unit**

When determining whether a possible CTS assistance group exists for any application, CARES configures a standard filing unit (SFU). This is a methodology for determining which members of a household must be taken into consideration when determining whether the non-financial and financial requirements of CTS are met. This methodology was first used when AFDC was available to residents of Wisconsin, and is used for CTS today, because CTS eligibility is built on the former requirements for the now defunct AFDC.

The SFU process will build a CTS case around a specific child, identifying the adults and other children who are also part of the CTS case and potentially able to garner CTS benefits that will be added to the parent's SSI payment.

To establish the SFU, determine whether the household contains at least one SSI parent caring for at least one minor child. Often, several children fit this criterion in a single household, so identify the "target child" around whom the CTS case will be built. Use either one of the following choices to determine which child in a household should be the target child:

First Choice for Target Child: The oldest minor child in common for parents in the household.

Second Choice for Target Child: The oldest child of the person identified by CARES as the Primary Person, when there are no dependent children in common or the only dependent children in common receive SSI, themselves.

Whenever the Primary Person in a case does not have any dependent children, or when all of the primary person's children receive SSI, it is not possible for a household to receive CTS.

The most typical family configuration seen among CTS applicants consists of a single parent with minor children or 18-year-old offspring who meet the AFDC criteria for *dependence*. The second most common CTS family configuration occurs when two

recipients of SSI live in a household with their minor children, some or all of whom do not receive SSI, themselves. There are many family configurations that include CTS recipients, however. See Illustration 2, CTS Case Scenarios for twelve examples.

After determining the target child, the SFU process requires that the natural or adoptive parents of the target child are included in the filing unit, along with any minor siblings or half-siblings of the target child. Parents of half-siblings are also included in the filing unit. Finally, minor siblings who have been married, but whose marriage was annulled, are included in the filing unit.

Some members of a household are not included in the SFU. Currently married or divorced persons under the age of 18 are not considered minor children for CTS purposes and are not included in the SFU. Step-siblings, step-parents, any children of the target child and all other relatives and non-relatives who live in the household are excluded from the SFU.

SSI parents are not permitted to voluntarily exclude any person from the SFU who would otherwise be automatically included. For instance, a parent may not opt to exclude a minor child who has income from wages from the SFU, when this income will cause the rest of the group to be income ineligible for CTS.

After determining which members of the household are in the SFU, we must determine which members are potentially eligible for CTS cash assistance. At this point, we begin to refer to the people who have become members of the SFU as the *assistance group*, or AG.

- **Definition of “CTS Eligibility”**

A CTS-eligible parent is a recipient of SSI who has met all financial and non-financial requirements for CTS. The CTS grant amount will include \$0 for the parent, however.

A CTS eligible child is a minor child or dependent

18-year-old who has met all financial and non-financial eligibility requirements for CTS. The CTS grant amount will include cash benefits for each eligible child.

Any parent who is pregnant cannot be eligible for CTS benefits for the fetus until the child is born.

- **SSI Eligibility in Wisconsin**

The relationship between parents and children and eligibility for SSI cash benefits in Wisconsin is very important in any CTS case. Parents in a CTS assistance group must be current recipients of SSI state supplemental benefit payments in Wisconsin. CTS parents may be eligible for both federal and Wisconsin State Supplemental SSI payments (SSP) or for SSP payments only, as a *grandfathered state-only SSI recipient*.

SSI or CTS benefits cannot be paid for any month to any federal SSI recipient whose state of jurisdiction is not Wisconsin. This means that the federal Social Security Administration (SSA) has classified the parent(s) SSI as within the jurisdiction of Wisconsin and has passed this status on to DHFS via federal/state SSI data exchange. Local agency workers have access to EDSNET/WSSI screens to verify whether Wisconsin has been assigned as the state of jurisdiction for a recipient of SSI.

Eligibility for federal SSDI benefits does not qualify a parent as a CTS parent. Neither does eligibility for Medicaid under s. 1619(b) of the Social Security Act, which is a Medicaid benefit for former SSI recipients whose earnings from work cause them to be ineligible for SSI cash benefits. Either the federal SSA or Wisconsin DHFS may designate an individual as eligible for Medicaid under s. 1619(b). However, a *child* who receives Medicaid under s. 1619(b) may be eligible for CTS, because he or she does not receive SSI cash benefits.

Children for whom SSI parents receive CTS may not be receiving SSI, themselves. However, any child who formerly received SSI and has appealed the termination of SSI (without continuation of cash

benefits pending the outcome of the appeal) may be eligible for CTS, even though his or her Medicaid under SSI has continued.

When both parents of any CTS eligible child are in the home, both must be receiving SSI in Wisconsin as a condition of CTS eligibility.

- **Citizens and Aliens**

Any person who is not a U.S. citizen must meet one of the following criteria in order to be potentially eligible for CTS:

1. Be lawfully admitted to the U.S. for permanent residence
2. Be lawfully present in the U.S. pursuant to 8 USC 1153, 1157, 1158, 1160 and 1182
3. Be granted lawful temporary resident status under 8 USC 1161 or 1255a and be:
 - a. A Cuban or Haitian applicant [PL 96-422, 501(e), (1) or (2) (A) effective 4/1/83], or
 - b. Not a Cuban or Haitian applicant, but adjusted to lawful temporary resident status more than 5 years before the CTS application date
4. Be otherwise permanently residing the U.S. under the color of law (PRUCOL), with evidence of approved PRUCOL status

Lawfully admitted aliens who are not eligible for CTS because they are here temporarily include tourists, visitors, students and diplomats.

- **Wisconsin Residency**

Recipients of CTS, both parents and children, must currently reside in Wisconsin and intend to remain in Wisconsin.

- **Living Arrangement**

Recipients of CTS, both parents and children, must reside in a qualified living arrangement. The following are CTS qualified arrangements:

1. Independent home, apartment or mobile home

2. Shelter for battered woman/domestic abuse
3. Homeless
4. Hospital, short term
5. Section 202/236 housing

- **Temporary Absence**

Unlike some other programs of public assistance, CTS does not allow eligibility in cases where parents or children are temporarily absent from the home.

- **Household Relationship**

Household relationships are a key component of CTS eligibility. SSI parents must be caring for their own children, by birth or adoption, in order to qualify for CTS. This means that the parent resides with the child and provides the majority of physical care and financial support and functions in the parental role. When two SSI parents live with their children in common, only one of these parents may be identified as the parent who is caring for their children. When a SSI recipient is a minor parent who resides with his or her child and there are adults in the household, the minor parent must be the person caring for the child, not the adults in the household.

- **Joint Custody Arrangements**

When custody of a child is shared between parents, the parent with whom the parent resides the majority of the time is identified as caring for the child for CTS purposes.

- **18-Year-Old Students**

State statute defines CTS eligible children as minors or dependent 18-year-olds. Dependent 18-year-olds are young adults who reside with at least one parent and who have not yet reached their 19th birthday. Furthermore, dependent 18-year-olds must be enrolled in school and expected to graduate prior to attaining age 19. It is very important that both SSI parents and local agency workers anticipate the change in status when CTS-eligible children attain the age of 18 years, in order to prevent unnecessary CTS payment termination. When dependent 18-year-olds are home-schooled, the parent must provide written documentation of expected graduation date from the home-schooling association or agency. It is irrelevant to CTS eligibility whether minor children

are enrolled in school.

- **SSN Requirement**

Each member of any CTS household must provide his or her Social Security Number (SSN) as a condition of eligibility. When an infant is added to the household, either by birth or adoption, the SSN of the infant must be provided to the local agency prior to the date the infant reaches 6 months of age.

- **Cooperation with Child Support Agency**

Whenever a potentially eligible child in a CTS household has an absent parent, the parent that is caring for the child must cooperate with the conditions of the local child support agency. If the parent does not cooperate or discontinues cooperation, CTS application or eligibility will be ended. When a CTS eligible parent has children who have different absent parents, the CTS-eligible parent must cooperate with the child support agency in regard to each child's absent parent.

- **Prohibition Against Concurrent Eligibility with W-2 or Kinship Care**

CTS benefits may not be paid to a SSI parent for the same month for which the parent participated in W-2 and received W-2 cash benefits. Receipt of W-2 benefits is defined as the month in which the parent is participating in, and eligible for, W-2 services, regardless of when the parent will receive the payment for that month. Similarly, CTS benefits may not be paid to a SSI parent for a month in which a grandparent or other non-legally responsible relative received Kinship Care benefits for caring for a potential CTS eligible child.

- **Verification**

CTS applicants and recipients must provide verification of required information in order for a local agency to process an application or review of eligibility for CTS. The verification requirement applies to both non-financial and financial information. Failure to provide required verification will result in termination of CTS benefits. The following information must be satisfactorily verified when CTS eligibility is being determined:

- Social Security Number

- Citizenship or Alien Status
- School Enrollment for 18-year-olds
- Income Earned from Employer
- Income Earned from Self Employment
- Unearned Income (i.e., Social Security)
- Child Support (Received or Paid)
- Pregnancy of Minor Child
- Property (land, stocks, etc., transferred in past 36 months)

See Appendix D, Forms and Publications, *What To Bring With You*, (Publication DWSW-2372) for suggested ways to give proof for verification purposes.

Financial Eligibility

After determining non-financial eligibility for CTS, the financial situation of the household is considered. When determining initial or ongoing financial eligibility for CTS, both income and assets are counted. **Income and assets of any members of the assistance group who receive SSI are disregarded.**

- **Income**

Income of adults and children is counted prospectively when determining eligibility for CTS. Both earned income from work and unearned income, such as Social Security benefits, are counted.

Some income is not received regularly; it is paid in a lump sum amount. Examples are refunds and back pay awards from Social Security, unemployment compensation insurance or child support, union settlements and compensatory time pay-outs or windfall payments like lottery winnings, personal injury awards or inheritances. Lump sum payments are counted as either earned or unearned income in the month they are received. When the dollar amount of the lump sum makes the group ineligible for CTS, ineligibility may continue beyond the month the lump sum was received. The number of total months of ineligibility is calculated by dividing the group's income by the Assistance Standard for the group size (Appendix B).

If court-ordered child support income is paid to any CTS assistance group member, the first \$50.00 of the

child support is disregarded each month. If child support payments are made to a CTS group by more than one absent parent, only \$50.00 of the total support may be disregarded. Child support payments are considered income to the child for whom they are paid, not the SSI parent.

At times, a person's assets and income are counted in the CTS eligibility calculation, even though s/he is not considered part of the CTS assistance group. This process is called *deeming*. An example of deeming occurs when the income of a sponsor is counted when determining the CTS eligibility of a legally admitted alien.

Each group applying for CTS must pass two income tests.

The Gross Income Test compares the gross income to the gross income limit (Appendix B). This test looks at gross deemed, earned and unearned income, including that of minors. Any CTS assistance group that passes this test may proceed to the final income test, the Net Income Test.

The Net Income Test compares the income that remains after certain deductions to the Net Income Limit, or Assistance Standard (Appendix B). Deductions from gross income that are allowed in this test include:

1. \$90 work related expense for each employed/self employed individual
2. Dependent care deduction of \$200 per month for each child under the age of 2 and \$175 per month for each incapacitated adult and each child age 2 or older
3. Disregard of \$30 or \$30 and 1/3 of earned income (when applicable)
4. Child support paid to someone outside of the assistance group
5. \$50 Child Support Deficit Reduction Act (DEFRA) disregard per assistance group

The Net Income Test includes the income of all minors, regardless of their school status or number of

hours of employment, at *application* for CTS. For employed minors who have received CTS in one of the previous four months, use the following to determine how to count earned income:

1. Do not count the employment income of full time students, regardless of the number of hours worked per week.
2. Do not count the employment income of part-time students working less than 30 hours per month.
3. Count the employment income, but apply \$90 and \$30 and 1/3 disregards, of any part-time student working 30 hours or more per month.
4. Count the employment income, but apply \$90 and \$30 and 1/3 disregards, of any minor that is not in school.

- **Assets**

With the exception of SSI recipients, the assets of all members of the CTS single assistance group are counted when determining asset eligibility for CTS. The combined assets owned by the assistance group are totaled and counted toward a \$1,000 asset limit. Liquid assets include, but are not limited to, cash and savings, cash value of life insurance policies, U.S. Savings Bonds, proceeds from a loan (if available for living expenses), equity value of any non-home real property. Some exclusions apply:

1. One irrevocable funeral trust per group member and one burial plot per group member are disregarded.
2. Student loans are disregarded.
3. Irrevocable trusts are exempt assets.
4. Earned Income Tax Credits (EITC) are disregarded in the month of receipt and the following month.
5. The first \$1,500 equity value of one vehicle is disregarded.

Sometimes assets are owned by more than one person. When this occurs, CTS policy requires that each person be assigned an equal share of ownership.

- **Divestment**

Divestment is the change of legal title or other right of ownership to non-exempt real or personal property, within 2 years of the date of application for CTS, for less than fair market value (minus the cost of the transaction). Divestment may make the group ineligible for CTS for a period of time. Divestment does not occur when property is divided in a divorce action, repossessed, lost due to foreclosure, or when an inheritance is disclaimed.

Anyone who divests within 2 years before the date of application or within 2 years of the date of a CTS eligibility review is presumed to have divested to receive CTS. The person who divests and anyone for whom s/he is legally responsible and for whom CTS is requested are ineligible for CTS.

If the amount divested by a CTS group, plus their other assets, total less than \$1,000, the divestment is not a barrier to eligibility for CTS.

If the amount divested by a CTS group, plus their other assets, total more than \$1,000, the divestment is a barrier to eligibility for CTS until 2 years have passed or the group has *expended* an amount equal to the divestment. Calculating this expenditure involves comparing the divested amount to the group's incurred medical expenses, plus the Assistance Standard (Appendix B) for the family size. Once the group expends enough, the divestment is *cured*.

Exceptional Eligibility

- **Non-Marital Co-Parents**

In a decision dated and released on September 30, 1996, the U.S. Court of Appeals, District IV, ruled in the case of *Buening v. Wisconsin Department of Health and Social Services* that special consideration must occur when the income of non-marital co-parents is calculated in AFDC and AFDC Medicaid eligibility determinations. For the sake of simplicity, cases to which this court decision applies are referred to as *Buening cases*. Since CTS eligibility is based on criteria that applied to AFDC eligibility prior to the elimination of AFDC by the federal government in 1997, the Buening decision applies to CTS.

Buening cases occur in two-parent households in which the parents have a child in common and the income of the non-SSI eligible parent and the child in common causes any child(ren) of the SSI parent to be financially ineligible for CTS. See Illustration 2, Scenario 12 for a visual depiction of a Buening case configuration.

The ruling states that any half-siblings and their associated parent are to be excluded from the SFU if it is determined that the half-sibling, his/ her full siblings and his/her parent are not *needy*. To meet the definition of needy, three conditions must be true:

1. The child of the non-SSI parent is deprived and
2. The income and assets for the non-SSI parent and child(ren) are below the AFDC eligibility limits and
3. The child is under the care of a qualified relative

A child is considered deprived when a parent is continuously absent from the home.

If all three conditions are true, the child(ren) in common is considered needy. The whole group is considered one SFU and remains together.

If at least one of the three criteria is not met, the child(ren) in common are not considered needy. The child(ren) in common and their non-SSI parent must be excluded from the CTS SFU and financial testing to allow the SSI parent's child(ren) to be tested for CTS alone.